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SIXTY-FOURTH ANNUAL REPORT

DECEMBER 31st, 1969

1969

THE MONARCH LIFE ASSURANCE COMPANY
WINNIPEG - CANADA



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SIXTY - FOURTH

ANNUAL REPORT

THE MONARCH LIFE ASSURANCE COMPANY



PRESIDENT'S REPORT

The Sixty-fourth Annual Meeting of The Monarch Life Assurance Company was held at the Head Office of the Company, in Winnipeg, on January 27, 1970. Audited statements of the results of the Company's operations in 1969 were presented by the Directors and adopted by the members of the Company.

Insurance and annuity policies placed at risk amounted to \$118,065,083. In 1968, sales were \$124,640,698 and in 1967 \$111,672,242. Total business in force increased to \$789,172,243 from \$759,362,263.

In the areas where we do the greater part of our business, employment was at a high level, and we had difficulty in developing as many new salesmen as we would like to have. The agricultural situation in western Canada also had an effect.

The trend of the Canadian economy, in spite of the problems and difficulties which receive so much publicity, has provided more people with more income to use as they wish rather than as they must. Many evidences of discretionary spending, the snowmobile, for example, force themselves on our attention, but it is also true that more people have income which they choose to invest, or choose to use to strengthen the provision they are making for their retirement or their dependents.

Part of this need is served, as it has been for years, by straightforward investment channels, but part, and we believe a growing part, requires close co-ordination between the dependable guarantee of "this much, under any circumstances, when need arises," which insurance gives, and the supplementary means which carry a risk of loss as well as an opportunity of gain.



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By this kind of co-ordination, the basic and essential provision can be supplemented intelligently by provisions more directly related to changing standards and costs of living.

After studying the forms which would be most useful to our present and prospective policyholders, we introduced a series of equity annuities in 1969. These are essentially single and annual premium deferred annuities, but they are supported by a fund which is invested, for the most part, in Canadian common stocks and which is segregated in the sense that the assets of the fund are not mingled with the other assets of the Company.

This series of policies, which we call the Monivest Series, was brought out in the fall of the year, and consequently had little effect on total 1969 sales.

In addition, we have added a new Dividend Option to all participating policies in force. In the past, policyholder dividends could be left on deposit with us, at interest. The Company guaranteed the principal, and also guaranteed that the rate of interest would never be less than the rate stipulated in advance. This option is, of course, still available. The new option is to allow policyholder dividends to be placed in the segregated fund. Thus, these policies can be given an opportunity of gain, which, while necessarily accompanied by a risk of loss, in no way affects the certainty of the basic policy.

Our mortality experience was less favourable than it has been in recent years, and 1969 death claims exceeded 1968 by \$600,000. Variations of this size occur from time to time. In spite of rising expenses of operation, our operating expense ratio was practically unchanged.

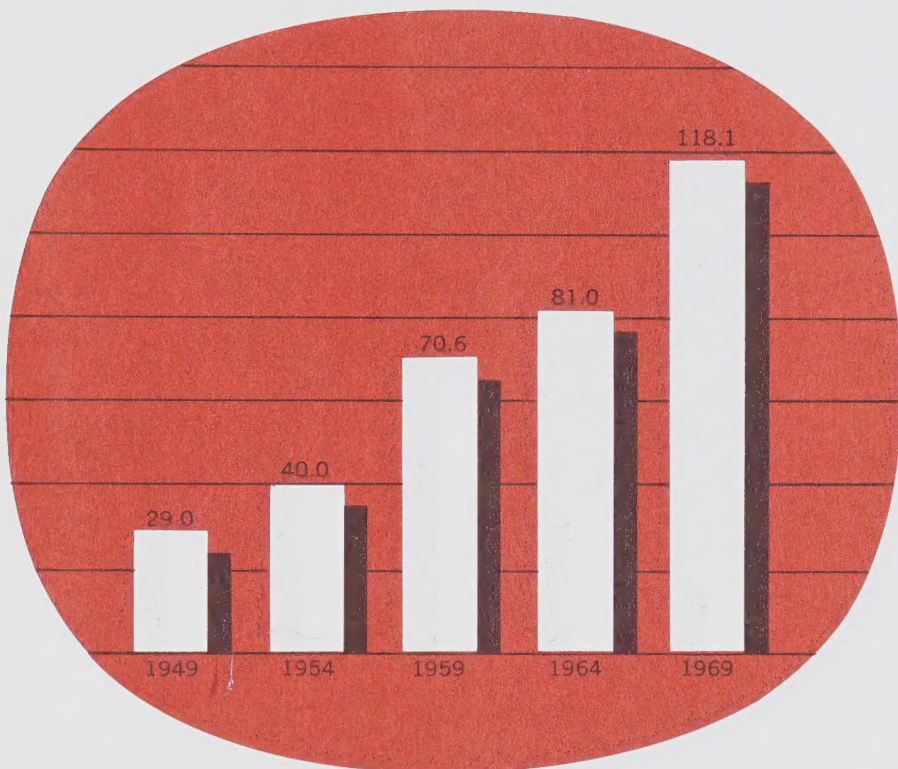
The features of the year from an investment standpoint were the tightness of money with extremely high interest rates, together with an unsettled stock market in which it proved difficult to operate, and the reduced cash flow referred to later.

With the high rates obtainable on our new investments, the net interest rate earned on our entire portfolio has moved up to 6.52% from 6.25%. The gross rate, before deduction of investment expense, rose to 6.76% from 6.54%.

The values of our investments, on the bases authorized by the Superintendent of Insurance for Canada, have gone down as the rate of interest rose, and the stock market declined. In the aggregate, year end book values exceeded authorized values by \$1,887,000. Our Contingency Reserve and Surplus provides amply for this situation.



NEW BUSINESS (IN MILLIONS)



Our total assets increased 4.9% and stand at \$151,366,145. The increase in 1968 was 7.1%. The slower rate had several contributing causes, and had a bearing on the investment policy of the year.

More policies have been surrendered and more funds on deposit with us have been withdrawn. Some people have decided that immediate needs are more pressing, or current investment opportunities are more attractive than our longer term guarantees and the insurance which goes with them. It is to be hoped that proper weight has been given to longer term needs.

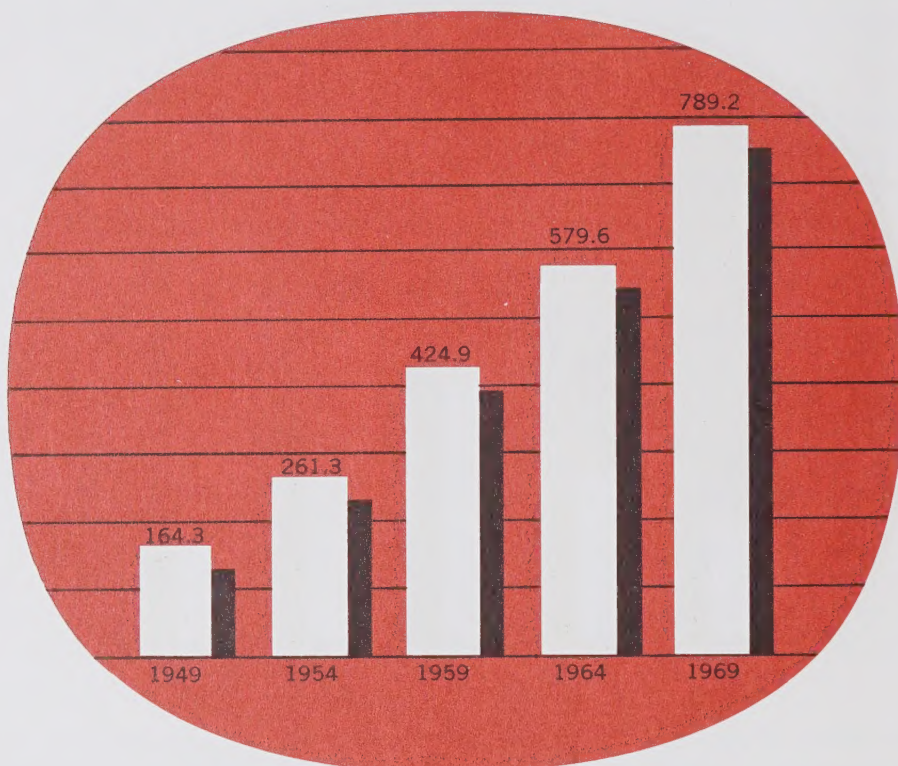
Again, sales of single premium insurance and annuity policies were lower than in recent years. This reflects the same situation.

A third reason for reduced growth in assets is not a temporary one. The new basis for taxing life insurance companies adopted by the Government of Canada applied to our operations for the first time in 1969. This required a cash payment, in 1969, of some \$640,000. This is, of course, merely the sum of the instalment



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BUSINESS IN FORCE (IN MILLIONS)



payments in cash and is not the full tax on the year's operations, which amounts to \$1,080,000.

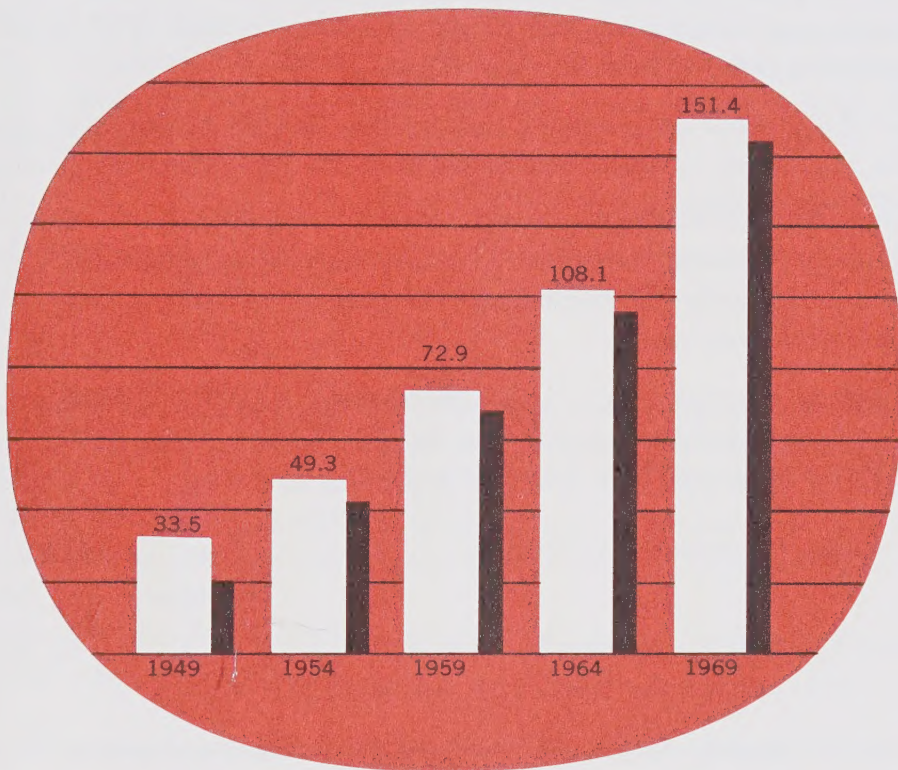
Pressures on cash have been added to by an increased use, by our policyholders, of the policy loan feature of their contracts. The policy loan balance outstanding has increased by \$965,696 to \$6,862,601. It now constitutes 4.5% of our assets. Last year it was 4.1% and the year before 3.9%.

Our new investments during the year have been principally in first mortgages on apartment and office building projects, many of which include arrangements whereby we will participate in any future increase in earnings.

We made some loans on individual homes, but the going rate of interest is well over 10% and few people feel it wise to assume long term obligations at such a rate. We have continued our practice of systematic investment in common stocks but at a somewhat lessened rate, because of market conditions. The book value of these investments increased by 24%, in the year.



GROWTH OF ASSETS
(IN MILLIONS)



The distribution of our assets, at the year end with the 1968 distribution for comparison, was:

	1969	1968
Government of Canada Bonds	3.3%	2.7%
Provincial Government Bonds	16.4	17.6
Municipal and other Government Bonds . .	3.5	3.8
Corporation Bonds	25.5	26.1
Preferred and Common Stocks	3.2	2.8
Mortgages	37.0	36.2
Real Estate:		
Properties purchased for income . . .	3.5	3.7
Properties purchased for company use .	1.6	1.7
Policy Loans	4.5	4.1
All other Assets	1.5	1.3
	100.0%	100.0%



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We have provided, on the usual adequate basis, for all of the unmatured obligations of the Company, and we are continuing the scale of dividends to participating policyholders which was followed in 1969.

After all operations and provisions, and after providing for the sharply increased taxes, the amount carried to surplus was \$547,381. The corresponding amount in 1968 was \$1,027,525.

It is also now practical for the first time to indicate the emerging profit for the year that belongs to the shareholders. The amount was \$797,831 or \$1.60 per share derived as follows:

Balance of revenue, Non Par and Shareholders' Fund . . .	\$540,601	
Claim against future years' income tax	34,000	
Profits transferred from Participating Fund	<u>223,812</u>	
	\$798,413	
Number of shares outstanding	500,000	
	Per Share	\$1.60

An accurate 1968 figure cannot be calculated because of the different tax structure, but we estimate that it was very close to the 1969 figure.

When the Company paid corporation tax only on moneys transferred to the Shareholders' Account, there were good business reasons for pursuing a conservative dividend policy with respect to the Company's shares. Now that taxes are paid as profits emerge, considerations which are relevant in any business apply, and the Directors decided to make a significant, but not a radical, increase in the dividend. The rate, for the half year payable on January 2, 1970, was set at 20 cents per share. Our last dividend which was paid on July 2, 1969, was at the rate of 15 cents a share. Commencing in 1970, dividends will be payable quarterly when and as declared.

The new taxes, and their implications, and the new segregated funds, have made it necessary to make some changes in the way in which the accounts of the year are presented. They also made it desirable to merge the Company's Staff Insurance Fund with its other Group Life insurance business. In order to enable comparisons to be made, the figures for the year 1968 have been rearranged, but the overall result is, of course, the same as we displayed in our report for that year.

THE MONARCH LIFE ASSURANCE COMPANY



Mr. William A. Johnston, Q.C., who was elected Chairman of our Board in January, 1968, died on January 1, 1970. Mr. Johnston's health began to deteriorate in the summer of 1969, and he decided in the fall that it would be wise for him to resign as Chairman and as a Director. It is a tragedy that his death should have come so soon.

Mr. Johnston became a Director of the Company in 1950, and played an active and helpful part in our affairs. He is greatly missed as a Director and as a friend. Mr. T. Bruce Ross, who had been Deputy Chairman, was elected Chairman of the Board.

The vacancy on the Board was filled by the appointment of Mr. Gordon Lawson. Mr. Lawson is Senior Vice-President and a Director of James Richardson and Sons Limited, a Partner in Richardson Securities of Canada and Chairman of Bristol Aerospace Ltd. In addition, he is a Director of Lombard Place Limited, Beaver Lumber Company Limited, and a number of other Canadian companies.

During the year, two men who have served the Company well for many years reached pension age and retired.

Mr. H. R. Magee joined the Company in 1920. He was Manager of Policyholder Service for a long period and, during his last few years with the company, was Assistant to the President.

Mr. R. W. Knechtel, C.L.U., joined the Company in 1933. He was a Branch Manager and Superintendent of Agencies and one of our ablest and most successful representatives.

In their long association with us, Mr. Magee and Mr. Knechtel participated in tremendous changes in the Company and the life insurance business, and we are fortunate indeed to have had them with us.

The Directors expressed their appreciation of the efforts of the officers, representatives and staff in a year of many changes.

January 27, 1970



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STATEMENT OF DECEMBER 31, 1969

ASSETS

	1969	1968
BONDS	\$ 73,663,194	\$ 72,386,023
PREFERRED STOCKS	244,100	354,100
COMMON STOCKS (Note 2)	4,523,713	3,649,622
FIRST MORTGAGES	56,033,237	52,299,499
REAL ESTATE		
Properties purchased for income	5,324,644	5,362,230
Properties held for company use	2,500,000	2,500,000
LOANS ON POLICIES	6,862,601	5,896,905
CASH	371,527	224,392
INTEREST ACCRUED AND DIVIDENDS DECLARED	1,165,165	1,026,524
NET PREMIUMS IN COURSE OF COLLECTION	336,700	328,343
SEGREGATED INVESTMENT FUNDS	277,735	—
At market values		
OTHER ASSETS	63,529	319,339
	<u>\$151,366,145</u>	<u>\$144,346,977</u>

T. BRUCE ROSS,
Chairman of the Board

AUDITORS'

January 23, 1970

To the Policyholders and Shareholders of The Monarch Life Assurance Company:

We have examined the statement of financial position of The Monarch Life Assurance Company as at December 31, 1969 and the statement of revenue and surplus for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

THE MONARCH LIFE ASSURANCE COMPANY



FINANCIAL POSITION

31, 1969

LIABILITIES, CAPITAL AND SURPLUS

	1969	1968
POLICY RESERVES	\$112,892,354	\$108,518,307
The amount which together with future premiums and interest will provide for the payment of all benefits on policies in force.		
POLICY CLAIMS AWAITING PROOF	844,529	711,336
Including \$75,000 provision for unreported death claims.		
OTHER POLICY OBLIGATIONS	12,738,240	11,757,244
Policy proceeds left on deposit with the company and premiums received in advance.		
DIVIDENDS TO POLICYHOLDERS	3,711,958	3,519,246
Provision for all policyholders' dividends payable in 1970, and dividends accrued to the end of 1969.		
STAFF PENSION FUND (Note 3)	3,582,386	3,378,631
SEGREGATED INVESTMENT FUNDS HELD FOR POLICYHOLDERS	136,442	—
OTHER LIABILITIES	753,672	444,323
Income and other taxes, other expenses due and accrued, receipts not yet allocated and shareholders' dividends payable January 2, 1970.		
	<u>134,659,581</u>	<u>128,329,087</u>
SHARE CAPITAL (Notes 4 and 5)	1,000,000	1,000,000
500,000 shares of \$2 par value each.		
SHAREHOLDERS' EQUITY IN SEGREGATED INVESTMENT FUNDS	141,293	—
CONTINGENCY RESERVE (Note 2)	2,500,000	2,500,000
SURPLUS:		
Shareholders' fund	281,383	152,397
Insurance funds	12,783,888	12,365,493
	<u>\$151,366,145</u>	<u>\$144,346,977</u>

Darrell Laird

DARRELL LAIRD
President

REPORT

The policy reserves and other liabilities under policy contracts are stated at amounts certified by the company's actuary, and have not otherwise been verified by us.

In our opinion, with the foregoing explanation, these financial statements present fairly the financial position of the company as at December 31, 1969 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles as referred to in Note 1 to the financial statements, applied on a basis consistent with that of the preceding year.

Price Waterhouse & Co.
Chartered Accountants



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STATEMENT OF REVENUE AND SURPLUS

	For the Year	
	1969	1968
The Company's Revenue was:		
Premiums and annuity considerations	\$14,452,300	\$14,595,252
Investment income, less expenses	9,295,170	8,419,454
	<u>23,747,470</u>	<u>23,014,706</u>
This Revenue was used for:		
Death and disability benefits	2,147,597	1,524,751
Matured endowments	1,151,922	948,135
Annuity payments	1,033,099	897,368
Surrender benefits	5,547,582	4,044,469
Dividends to policyholders	2,207,023	2,053,728
Increase in reserve for future payments to policyholders and beneficiaries	5,317,348	7,185,008
	<u>17,404,571</u>	<u>16,653,459</u>
Commissions on premiums and annuity considerations	1,371,043	1,426,872
Operating expenses	3,033,070	2,853,826
	<u>21,808,684</u>	<u>20,934,157</u>
Balance of revenue before taxes	1,938,786	2,080,549
Tax on premiums	(163,588)	(162,323)
Tax on investment income (Note 6)	(345,000)	—
Tax on corporate income (Note 6)	(735,000)	(131,000)
Net Revenue for the year	695,198	1,787,226
Appropriations and Adjustments:		
Adjustments to book values of assets, and profits and recoveries on sale of securities (net)	—	(299,701)
Claim against future years' income taxes	84,000	—
Appropriation to Policy Reserves	—	(650,000)
Investment in Segregated Funds	(150,000)	—
Transfer from Staff Insurance Fund	93,183	325,000
Dividends to shareholders	(175,000)	(135,000)
Increase in Surplus for the year	547,381	1,027,525
Surplus January 1	12,517,890	11,490,365
Surplus December 31	<u>\$13,065,271</u>	<u>\$12,517,890</u>



NOTES TO FINANCIAL STATEMENTS

1. The requirements of the Superintendent of Insurance for Canada differ in some respects from accounting principles followed by business enterprises in general. Such differences, the effect of which on the Statement of Revenue and Surplus has not been determined, include, among others, the following:
 - (a) The present value of future premiums with respect to business acquired in a year is not fully stated in the accounts, but the costs incurred in acquiring it are charged to income in the year.
 - (b) Certain assets, such as furniture and fixtures, inventories of supplies, prepaid insurance on Company properties, miscellaneous accounts receivable, etc., are excluded from the Statement of Financial Position.
2. In the aggregate, the book value of the bonds and stocks is \$1,887,000 in excess of the sum of the amortized values of eligible government bonds and the market values of other securities based on values authorized by the Department of Insurance of Canada. This deficiency is adequately provided for by the contingency reserve.
3. The Monarch Life Staff Pension Fund is fully funded, so far as members now retired are concerned, and fully funded so far as all benefits earned to 31 December 1969 by persons not yet retired, are concerned.
4. Under a Stock Option Plan adopted in 1966, the Company may grant to executives in each year to 1981, options to purchase shares of the unissued capital stock of the Company at a price equal to the market value of such stock on the date granted; provided, however, that the number of shares which may be sold under such options may not exceed 50,000. On 1 April 1966, options were granted to purchase an aggregate of 20,000 shares, during the years 1969 to 1979, at a price of \$20 per share. No options were exercised during the year.
5. On 31 December 1969, 500,000 of the 1,000,000 authorized shares of the capital stock of the Company were outstanding, held by 489 shareholders.
6. Commencing in 1969 income taxes are payable on income as earned and on investment income. In prior years income tax was payable only on amounts transferred to the shareholders' fund.

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STATEMENT OF REVENUE

	Participating Division	
	1969	1968
THE COMPANY'S REVENUE WAS:		
Premiums and annuity considerations	\$ 9,251,865	\$ 9,025,152
Investment income, less expenses	<u>5,560,670</u>	<u>5,071,394</u>
	14,812,535	14,096,546
THIS REVENUE WAS USED FOR:		
Death and disability benefits	1,080,886	1,089,828
Matured endowments	1,025,965	831,731
Annuity payments	150,610	136,545
Surrender benefits	3,727,407	2,528,117
Dividends to policyholders	2,207,023	2,053,728
Increase in reserve for future payments to policyholders and beneficiaries	<u>2,557,598</u>	<u>3,574,620</u>
	10,749,489	10,214,569
Commissions on premiums and annuity considerations	1,075,370	1,140,074
Operating expenses	<u>2,330,869</u>	<u>2,220,279</u>
	14,155,728	13,574,922
BALANCE OF REVENUE BEFORE TAXES	656,807	521,624
Tax on premiums	(121,210)	(121,584)
Tax on investment income (Note 6)	(375,000)	
Tax on corporate income (Note 6)	(6,000)	
NET REVENUE FOR THE YEAR	<u>154,597</u>	<u>400,040</u>
APPROPRIATIONS AND ADJUSTMENTS:		
Adjustments to book values of assets, and profits and recoveries on sale of securities (net)	—	(185,300)
Claim against future years' income taxes	50,000	—
Transfer to Shareholders' Fund	(223,812)	(200,414)
Appropriation to Policy Reserves	—	(150,000)
Investment in Segregated Funds	—	—
Transfer from Staff Insurance Fund	52,798	248,950
Dividends to shareholders	—	—
INCREASE IN SURPLUS FOR THE YEAR	<u>33,583</u>	<u>113,276</u>
SURPLUS JANUARY 1	6,995,857	6,882,581
SURPLUS DECEMBER 31	<u>\$ 7,029,440</u>	<u>\$ 6,995,857</u>

THE MONARCH LIFE ASSURANCE COMPANY



ND SURPLUS BY DIVISION

Shareholders' and Non Participating Division		Staff Pension Fund	
1969	1968	1969	1968
\$ 5,013,440	\$ 5,371,277	\$ 186,995	\$ 198,823
<u>3,517,894</u>	<u>3,130,979</u>	<u>216,606</u>	<u>217,081</u>
<u>8,531,334</u>	<u>8,502,256</u>	<u>403,601</u>	<u>415,904</u>
1,054,008	428,923	12,703	6,000
125,957	116,404	—	—
808,422	689,770	74,067	71,053
1,800,282	1,497,016	19,893	19,336
—	—	—	—
2,462,812	3,290,873	296,938	319,515
<u>6,251,481</u>	<u>6,022,986</u>	<u>403,601</u>	<u>415,904</u>
295,673	286,798		
<u>702,201</u>	<u>633,547</u>		
<u>7,249,355</u>	<u>6,943,331</u>	<u>403,601</u>	<u>415,904</u>
1,281,979	1,558,925	NIL	NIL
(42,378)	(40,739)		
30,000			
(729,000)	(131,000)		
<u>540,601</u>	<u>1,387,186</u>	<u>NIL</u>	<u>NIL</u>
—	(114,401)		
34,000	—		
223,812	200,414		
—	(500,000)		
(150,000)	—		
40,385	76,050		
(175,000)	(135,000)		
<u>513,798</u>	<u>914,249</u>	<u>NIL</u>	<u>NIL</u>
<u>5,522,033</u>	<u>4,607,784</u>	<u>NIL</u>	<u>NIL</u>
<u>\$ 6,035,831</u>	<u>\$ 5,522,033</u>	<u>\$ NIL</u>	<u>\$ NIL</u>



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OPERATING

	1969	1968	1967
THE COMPANY'S REVENUE WAS:			
Premiums and annuity considerations	\$ 14,452,300	\$ 14,595,252	\$ 14,140,931
Investment income, less expenses	9,295,170	8,419,454	7,696,968
	<u>23,747,470</u>	<u>23,014,706</u>	<u>21,837,899</u>
THIS REVENUE WAS USED FOR:			
Payments to policyholders and beneficiaries	12,087,223	9,468,451	8,468,745
Increase in reserves for future payments to policyholders and beneficiaries	5,317,348	7,185,008	7,624,832
Commissions and operating expenses	4,404,113	4,280,698	4,086,929
Taxes on premiums, investment income and corporate income	1,243,588	293,323	270,148
	<u>23,052,272</u>	<u>21,227,480</u>	<u>20,450,654</u>
BALANCE OF REVENUE:	<u>\$ 695,198</u>	<u>\$ 1,787,226</u>	<u>\$ 1,387,245</u>
SURPLUS AND CONTINGENCY RESERVE:			
PARTICIPATING DIVISION:			
Contingency Reserve	\$ 1,630,000	\$ 1,630,000	\$ 1,630,000
Surplus	7,029,440	6,995,857	6,882,581
	<u>8,659,440</u>	<u>8,625,857</u>	<u>8,512,581</u>
SHAREHOLDERS' AND NON PARTICIPATING DIVISION:			
Contingency Reserve	870,000	870,000	870,000
Surplus	5,754,448	5,369,636	4,461,108
Shareholders	281,383	152,397	146,676
	<u>6,905,831</u>	<u>6,392,033</u>	<u>5,477,784</u>
TOTAL	<u>\$ 15,565,271</u>	<u>\$ 15,017,890</u>	<u>\$ 13,990,365</u>
TOTAL ASSETS:	<u>\$151,366,145</u>	<u>\$144,346,977</u>	<u>\$134,715,032</u>
INSURANCE AND ANNUITIES IN FORCE:			
Participating Division	\$470,128,324	\$455,847,394	\$420,428,034
Non Participating Division	319,043,919	303,514,869	286,389,037
	<u>\$789,172,243</u>	<u>\$759,362,263</u>	<u>\$706,817,071</u>
SALES — INSURANCE AND ANNUITIES:			
Participating Division	\$ 65,532,073	\$ 76,634,966	\$ 69,760,292
Non Participating Division	52,533,010	48,005,732	41,911,950
	<u>\$118,065,083</u>	<u>\$124,640,698</u>	<u>\$111,672,242</u>
Net Interest Rate	<u>6.52%</u>	<u>6.25%</u>	<u>6.13%</u>

THE MONARCH LIFE ASSURANCE COMPANY



STATISTICS

1966	1965	1964	1963	1962	1961	1960
\$ 12,911,860	\$ 13,086,360	\$ 12,258,183	\$ 11,180,766	\$ 10,536,738	\$ 10,183,029	\$ 8,893,741
6,954,334	6,342,233	5,737,320	5,146,719	4,607,586	4,282,716	3,926,397
19,866,194	19,428,593	17,995,503	16,327,485	15,144,324	14,465,745	12,820,138
8,827,491	7,270,850	6,911,995	5,811,727	5,304,632	4,816,743	4,957,466
5,854,918	7,363,734	6,469,750	6,157,769	5,666,903	5,597,713	3,892,650
3,727,657	3,121,804	2,978,800	2,885,207	2,934,116	2,844,735	2,633,028
254,634	238,634	231,924	219,409	206,537	201,164	200,545
18,664,700	17,995,022	16,592,469	15,074,112	14,112,188	13,460,355	11,683,689
\$ 1,201,494	\$ 1,433,571	\$ 1,403,034	\$ 1,253,373	\$ 1,032,136	\$ 1,005,390	\$ 1,136,449
\$ 1,630,000	\$ 1,630,000	\$ 1,465,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000
6,866,640	6,813,796	6,239,298	5,923,523	5,424,376	4,974,806	4,487,119
8,496,640	8,443,796	7,704,298	7,223,523	6,724,376	6,274,806	5,787,119
870,000	870,000	785,000	700,000	700,000	700,000	700,000
3,639,974	2,825,424	2,429,914	1,891,215	1,514,064	1,165,379	1,140,097
142,939	140,614	139,258	137,714	111,612	112,022	110,502
4,652,913	3,836,038	3,354,172	2,728,929	2,325,676	1,977,401	1,950,599
\$ 13,149,553	\$ 12,279,834	\$ 11,058,470	\$ 9,952,452	\$ 9,050,052	\$ 8,252,207	\$ 7,737,718
\$125,113,351	\$117,349,906	\$108,130,172	\$ 99,191,083	\$ 91,185,992	\$ 84,709,092	\$ 77,490,545
\$386,757,503	\$352,856,985	\$330,969,830	\$314,182,752	\$302,195,702	\$285,864,895	\$265,732,356
270,803,989	263,577,284	248,608,887	237,663,473	220,005,011	201,471,560	179,002,105
\$657,561,492	\$616,434,269	\$579,578,717	\$551,846,225	\$522,200,713	\$487,336,455	\$444,734,461
\$ 63,757,662	\$ 49,696,960	\$ 42,630,409	\$ 40,350,351	\$ 41,099,057	\$ 46,562,760	\$ 39,896,155
45,437,959	43,853,609	38,384,295	37,850,659	36,208,580	39,205,067	30,648,956
\$109,195,621	\$ 93,550,569	\$ 81,014,704	\$ 78,201,010	\$ 77,307,637	\$ 85,767,827	\$ 70,545,111
5.93%	5.81%	5.72%	5.59%	5.41%	5.35%	5.39%



SIXTY-FOURTH ANNUAL REPORT

BOARD OF DIRECTORS

T. BRUCE ROSS
Chairman of the Board

DARRELL LAIRD
President

PAUL N. DuVAL	*S. PRICE RATTRAY
*GORDON LAWSON	CONRAD S. RILEY
*WILLIAM G. KONANTZ	GEORGE E. SHARPE
RICHARD S. MALONE, O.B.E.	MAITLAND B. STEINKOPF, M.B.E., Q.C.
*WILLIAM B. PARRISH	ALAN E. TARR
KENNETH A. POWELL	*ALFRED R. TUCKER

*Policyholders' Directors

EXECUTIVE OFFICERS

DARRELL LAIRD	- - - - -	President
HAROLD THOMPSON	- - - - -	Vice-President, Administration
ALAN E. TARR	- - - - -	Vice-President, Investments
CLARK B. FULLER	- - - - -	Vice-President, Marketing
DONOVAN A. McCARTHY, Q.C.	- - - - -	Secretary and General Counsel

Share Transfer Agent and Registrar:

NATIONAL TRUST COMPANY LIMITED

At its Principal Offices in Montreal, Toronto, Winnipeg, Calgary and Vancouver



ADMINISTRATIVE ORGANIZATION

DARRELL LAIRD, F.S.A., F.C.I.A., President

MARKETING

C. B. FULLER, C.L.U. Vice-President, Marketing
 Sales C. E. ADDISON, F.L.M.I. Secretary, Sales Department
 J. LYON Supervisor, Sales Promotion
 G. E. THOMAS Sales Assistant
 J. D. TAYLOR Field Supervisor
 R. T. SANDSTROM Field Supervisor
 L. R. SHERMAN Director, Manpower Development

ADMINISTRATION

H. THOMPSON, F.S.A., F.C.I.A. . . . Vice-President, Administration
 Actuarial C. J. STAFFORD, F.S.A., F.C.I.A. . . . Actuary
 Accounting R. A. WANKLING, C.A. Comptroller
 R. E. GARLAND, C.A. Accountant
 E. F. JOHNSTON Supervisor, Premium and Commission Accounting
 Systems Planning P. J. SAWCHUK, F.L.M.I. Projects Manager
 Data Processing L. G. F. JONES Supervisor, Data Processing

INVESTMENTS

A. E. TARR, A.S.A. Vice-President, Investments
 Investment R. E. ARCHER, C.F.A. Manager, Bonds and Stocks
 D. A. MCCARTHY, Q.C. Mortgages and Real Estate

INSURANCE OPERATIONS

D. B. STEVENS, F.S.A., F.C.I.A. . . . Actuary
 Underwriting N. L. HANDFORD Supervisor, Underwriting
 R. G. HANDFORD, M.D. Medical Director
 Policy Issue T. WEBER, F.L.M.I. Supervisor, Policy Issue
 Policy Benefits C. M. MEDERSKI Supervisor, Policy Service
 Group A. M. BYRNE, F.S.A., F.C.I.A. . . . Assistant Actuary
 E. F. HARLOW Supervisor, Group Services

PUBLIC RELATIONS AND PERSONNEL

C. J. ROGERS, F.L.M.I., F.C.I.S. . . . Public Relations Officer

SECRETARIAL AND LEGAL

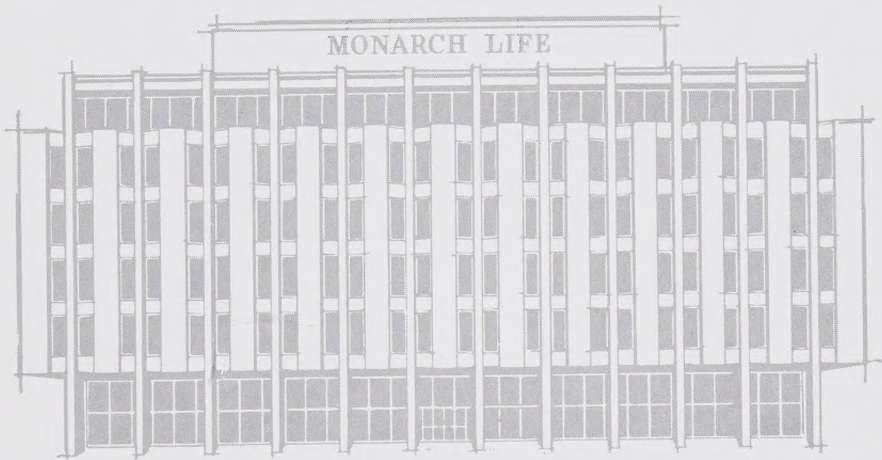
D. A. MCCARTHY, Q.C. . . . Secretary and General Counsel



SIXTY-FOURTH ANNUAL REPORT

BRANCH OFFICES

		Telephone Number
VICTORIA	P. P. LOWE, 230 - 777 Broughton Street J. R. H. LEY, Assistant Manager	604-384-0584
VANCOUVER	D. LAKUSTA, C.L.U., 1520 - 777 Hornby Street	604-684-5322
PENTICTON	R. R. BRICKELL, 2 - 44 Padmore Avenue	604-492-5777
EDMONTON	H. D. WALLACE, 10405 - 100th Avenue	403-422-6125
RED DEER	W. E. SOUTHORN, C.L.U., 600 - 4808 Ross St.	403-347-1135
CALGARY	R. G. SMALLEY, 400 - 1300 Eighth St. S.W.	403-263-4070
SASKATOON	J. H. PROVICK, 305 - 4th Avenue North	306-653-0602
REGINA	C. J. LIPTON, 1770 Avord Tower	306-523-9631
BRANDON	A. JOSEPHSON, Royal Bank Building	204-727-0721
WINNIPEG	T. USTER, 333 Broadway Avenue L. H. FYKE, C.L.U., Assistant Manager	204-943-3441
THUNDER BAY	W. J. LYSAK, C.L.U., 1103 Victoria Avenue	807-622-6444
WINDSOR	E. H. HANNAH, C.L.U., 201 - 1015 University Ave.	519-252-4431
LONDON	P. V. SABOURIN, C.L.U., 302 - 200 Queens Ave. D. R. BANKES — Bankes-Payne Agency 267 Dundas Street	519-672-6220 519-433-4083
HAMILTON	E. J. McBANE, 1200 - 135 James Street South	416-522-9274
TORONTO	J. LOMAN, C.L.U., 404 - 40 St. Clair Ave. West	416-929-3188
DON MILLS	301 - 29 Gervais Drive	416-429-0813
OSHAWA	R. A. SLANEY, C.L.U., Oshawa Shopping Centre	416-725-6588
OTTAWA	E. E. LAUGHREN, 704 - 151 Slater Street F. B. MOFFATT, Assistant Manager	613-233-4457
MONTREAL NORTH	P. ANGELINI, C.L.U., 605 - 2120 Sherbrooke St. E.	514-527-8855
SHERBROOKE	202 - 780 King Street West	819-562-7272



THE MONARCH LIFE ASSURANCE COMPANY

HEAD OFFICE - WINNIPEG